



## We want 51% in ECG privatization compact- Nana Addo declares

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President Nana Akufo Addo

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President Akufo-Addo has stated that government will stand by its decision to amend the Private Sector Participation (PSP) compact of the Electricity Company of Ghana (ECG) with the Millennium Challenge Corporation (MCC).

Under the agreement, which is known as the Power Compact II, government is expected to allow about 80 percent private sector control in ECG for the country to benefit from a cash injection of about one billion US dollars over a period of 5 years.

But speaking to Ghanaian workers at the celebration of May Day in Accra, Nana Akufo-Addo maintained that government wants more than the 20 percent control agreed by the former government, to protect ECG workers from being sacked.

"Government has amended the terms of the concession agreement to require that one; Ghanaians own at least 51 percent of the concession. Two, there should be no involuntary layoffs as a result of the concession," he stressed adding that, "the term of the concession will be reduced from 25 years to 20 years"

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President Akufo-Addo observed that the new terms will benefit Ghanaians and protect ECG workers, who have been apprehensive over the compact.

"We believe that these amendments meet the aspiration of Ghanaians in protecting the jobs of workers and ensuring the control and viability of ECG. We are as concerned as the workers that, the reform should not lead to involuntary job losses and we should find a long term solution to the nation's electricity problem," he said.

### Ghana to lose all funds if...

Ghana will lose 498 million dollars from the US government meant to be an initial investment into ECG and other power generation companies if government misses the timeline.

Already, a Bidders Conference which was supposed to be held in Decemeber 2016 was postponed several times due to concerns raised by the Trades Union Congress(TUC).

It is not clear how much time Ghana has left but the Millennium Development Authority (MiDA) tasked to see the implementation of the compact has warned severally that Ghana is running out of time.

### Details of Compact II

Under the Power Compact, six projects will be implemented to address the the root causes of the unavailability and unreliability of power in Ghana

The project include ECG Financial and Operational Turnaround Project, NEDCo Financial and Operational Turnaround Project, Regulatory Strengthening and Capacity Building Project, and Access Project.

The rest are Power Generation Sector Improvement Project and Energy Efficiency, and Demand Side Management Project.

The Government of Ghana signed the Ghana Power Compact with the Millennium Challenge Corporation (MCC), an independent United States government agency, on the sidelines of the US Africa Leaders' Summit in Washington on August 5, 2014.

### Ghana to get over 498m dollars

Ghana signed the Power Compact with the United States of America acting through the Millennium Challenge Corporation (MCC), an independent United States government agency, on the sidelines of the US Africa Leaders' Summit in Washington DC on August 5, 2014.

The Ghana Power Compact would provide Ghana with a grant sum of four hundred and ninety eight million, two hundred thousand United States Dollars (US\$498,200,000) to improve the performance of Ghana's power sector, unlock the country's economic potential, create jobs, and reduce poverty.

May 3, 2017



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About US\$350 million of the grant is being invested in ECG to make the country's power distributor operationally and financially more efficient.

The Compact is being implemented by the Government of Ghana through the Millennium Development Authority (MiDA).

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By: Lawrence Segbefia/citibusinessnews.com/Ghana

